During the generation following 1815, Britain dominated the world system so thoroughly that it could not be effectively challenged by other states. In the second half of the century, Prussia rose to great power status and transformed the European balance of power, making the balance more equal, more rigid and more delicate all at once. A strong Germany competed with a France defeated in 1970, a Britain more aware of foreign challenges, and an Italy newly unified and eager to demonstrate its power on the international scene. The balance of power became overcrowded, and expansion and compensation were no longer possible in Europe. After 1870, therefore, all the European powers sought out extra-European conquests where increases in territory, resources and military bases, each adding to power and prestige, could readily be acquired. For Britain, this impulse meant protecting the route to India through Egypt and the Suez canal, which necessitated a dominant position in East Africa and control over the Nile headwaters. For the French and Germans, the impulse meant acquiring “places in the sun” to demonstrate national prestige. Hence, imperialism became a move in the European power play after 1870.

In West Africa, French projects for tapping the wealth of the Sudanese interior had long seemed to require military conquest to solve problems posed by the political instability of the Islamic states of the region. The actual timing of the Scramble, however, reflected impatience on the part of temporary holders of office in Paris. On the west coast of Africa political action became necessary as the long-term fiscal and judicial problems of small trading posts were intensified after 1880 by growing international competition and mutual fears among interested powers of exclusive protectorate and tariff treaties. In the Congo region Leopold's plans for a highly informal commercial enterprise led to formal territorial division -- the French assumed that Leopold's treaty making would give him exclusive political and economic control, they staked defensive counterclaims, and other powers reacted in turn to French moves. In South-West Africa in 1884 Bismarck decided to protect Luderitz's concession, partly because he could not extract a clear British assurance of political security for this private economic venture. In East Africa Bismarck similarly supported Karl Peters's enterprise, while the British came to regard access to the lakes of the interior as a major British national interest, essential to protecting the headwaters of the Nile and thus Egypt. In south-central Africa a desire to satisfy Cape Colony imperialists, themselves primarily concerned with economic profit, constituted an essentially political motive for establishing a British sphere of interest and later protectorates

Security surrenders to conflicting interpretations. The decision to send an expedition to Egypt split the Liberal Cabinet, and the majority in favor was formed over Gladstone's objection. In the Cabinet's justification of the invasion before Parliament, Sir Charles Dilke put the same stress on British trade as he did on strategic interests. Gladstone presented the intervention as a means of restoring law and order and promoting liberal progress. 70 Bondholders' committees and shipping associations were active in mobilizing support. To see these events as driven simply by security is to miss other motives that made odd allies out of adherents to different security policies

Regarding what empire did for the economy, however, we can draw some conclusions. Given the long-term trend in the British textile industry toward structural dependence on undeveloped markets (and assuming a continued lag in national economic innovation), one would expect a continued concern for accessible and growing markets in the undeveloped world. The expansion of the transnational economy into the undeveloped world meant an expansion of British foreign policy into these parts of the periphery. 43 Sales in the periphery usually depended upon security that the peripheral regime could not and would not provide. The result was a continuous pressure for the expansion of at least the informal empire (control without annexation) to preserve political stability and free trade. Britain needed to exercise sufficient control so that underdeveloped areas would neither fall into anarchy nor establish protective tariffs for their own textile production. 44 Informal support (through gunboat diplomacy) for local oligarchs who supported free trade was sufficient for this end until some rival empire with its own tariffs surfaced.

By themselves, however, purely economic factors do not explain the formal annexations of the late 1870s and early 1880s. British textile producers were sufficiently efficient relative to other European producers that there was no independent, metropolitan, economic force pushing for formal rule in these areas (such as would be required to export textiles if Britain were significantly inefficient in this industry). Nevertheless, an increased importance was perceived for undeveloped areas and imperial trade in those years. As a result, when free trade (the Pax Britannica) was challenged by other powers with isolating intent, Britain had good reason to defend her slice of the market by preemptive annexation. The new areas penetrated in the 1860s and 1870s in Africa and Asia (areas that would become parts of the official empire during the Scramble of the 1880s) could not match India's importance in trade. But British merchants and statesmen anticipated that they might be "new Indias" for the textile and other trades. 46 Textiles and trade with undeveloped regions required at least a "free-trade imperialism," though in a revised form -- informal where possible (some peripheries, among them the United States, resisted), formal if rendered necessary by other metropoles' competition or by challenges from the periphery

The manufacturing sector needed, as Birmingham manufacturers led by Joseph Chamberlain demanded, imperial "fair trade," or preferences. They needed to exclude more efficient, non-British imports and to prevent the development of dominion machinery industries just as textiles needed to prevent competing industries in undeveloped countries. Formal political mechanisms or an imperial preference would encourage governmental orders to be placed with British firms and would permit private orders to be channeled by Anglo-colonial financial ties. Only a few colonies, India among them, began to meet this need in the nineteenth century. The real independence of the dominions precluded a general solution in colonial federation, and so these industries suffered (at least until major innovations, such as motor vehicles, developed in the twentieth century). These two central parts of the British economy required the maintenance and growth of empire. Other parts of the British economy nevertheless inclined in different directions. London-based finance was influential in the late nineteenth century and highly efficient. Although special links encouraged funds to flow to the empire, at least half of London's placements went outside the empire, pursuing higher returns that balanced increased risks. Finance was thus preeminently international, even though pleased to accommodate imperial issues. Neither innovative industries nor the traditional coal industry, meanwhile, welcomed any restrictions on trade such as imperial preference being demanded by the iron and machine trades. The new industries could take advantage of free competition in any market open to them. Imperial preference or domestic tariff protection would eventually raise their costs or lead to foreign retaliation.

The Conservatives profoundly differed from the Liberals in accepting the annexation of a self-ruling people on grounds of expediency, of power politics. Colonial self-government to the Conservatives was a technique of imperial power, to be judged by its contribution to imperial power. Self-government to the Liberals, by previous declaration and later action, was an *end,* an end that itself was an important justification for empire. Thus for the Conservatives no principled stand could counterbalance the expediency of annexation.

It was in the Orient that Disraeli's conception of empire was to find its clearest expression. Where power was to be harvested, Disraeli most thoroughly implemented his imperial idea -- an empire of eastern power

based in India, linked to the China trade, and secured through the eastern Mediterranean. In 1875 Disraeli took over the Fiji Islands to secure its trade and stability in the face of German rivalry. [82](http://www.questiaschool.com/reader/action/next/103731413#82)However, his strategy as a whole centered on India, for there was his coherent eastern base for Britain's future worldwide role. With that base Britain was equal or superior to the continental powers of the future.

At the Indian pivot, Disraeli consciously rejected the previous Liberal policy of "masterly inactivity." India presented two problems that would not disappear. One was its external security, primarily with respect to Russia, and the other its internal stability, disturbed by the rising nationalism of the Indian middle class. [83](http://www.questiaschool.com/reader/action/next/103731413#83)The two were connected: a domestically unstable India was prone to Russian interference, an external threat undermined British influence over the "native mind," on which the Raj rested. [84](http://www.questiaschool.com/reader/action/next/103731413#84)

Disraeli focused on the second relationship. Russian influence in Afghanistan, if it were to progress, could create a true military frontier problem for North West India. He appointed the adventurous Lord Lytton to take an active approach to the problem: "We wanted a man of ambition, imagination, some vanity and much will -- and we have got him." [85](http://www.questiaschool.com/reader/action/next/103731413#85)

Lytton's policy was to maintain the political balance of the permanent Raj. Although Britain had early in the nineteenth century fostered the westernization ("civilization") of the Indian middle class, now Lytton sought to suppress their consequent claims for self-governing equality. Beginning as a response to the Indian Mutiny, this policy seemed determined to make the British the "lords of human kind," unwilling to share the governance of India with any but the conservative ruling elite of rajahs. The Royal Titles Bill of 1876, which made the Queen the Empress of India, supported this conservative internal dominance of India by providing a figurehead for the collaborating Indian aristocracy. [86](http://www.questiaschool.com/reader/action/next/103731413#86)

A frontier defeat could have destroyed imperial prestige. Thus, in pursuit of external security, Lytton sent a mission to Kabul to oust the Russians, who also had sent a diplomatic mission. When the British

India was the pivot. [87](http://www.questiaschool.com/reader/action/next/103731414#87)India was the entrepôt for all eastern operations, for the economic and political foundations of the China trade, and for the protection of British interests throughout the East. In India the British government had a European-quality army at no cost to the British taxpayer and with no responsibility to the Parliament. In 1878, for example, Disraeli was able to reinforce Malta with Indian troops without obtaining the approval of Parliament. [88](http://www.questiaschool.com/reader/action/next/103731414#88)

The Indian pivot also had a western link, the vital link to the British homeland, in Suez and the eastern Mediterranean. The Russians again presented the threat, a threat to the link that made eastern power British power. Disraeli phrased the eastern connection of imperial power emphatically in these words: "Power and influence we should exercise in Asia; consequently in Eastern Europe; consequently also in Western Europe." [89](http://www.questiaschool.com/reader/action/next/103731414#89)The music halls announced the same connection more memorably, reflecting popular approval of Disraeli's transfer of Indian troops to meet moves against Turkey in 1878. One version of the Jingo refrain was bombastic and became famous:

"We don't want to fight, But, by Jingo, if we do, We've got the ships, we've got the men, We've got the money too."

The other was a tribute to the popular sense of humor:

"We don't want to fight, But, by Jingo, if we do, We'll stay at home and sing our songs And send the mild Hindoo." [90](http://www.questiaschool.com/reader/action/next/103731414#90)

Gladstone had seen European cooperation as making eastern (imperial) competition unnecessary. Disraeli reversed the conception; he saw eastern power making Britain's power in Europe more weighty – which required a secure eastern Mediterranean. As a step in this direction Disraeli bought the khedive's share of the Suez Canal, but Egypt was not enough. Its historic and constitutional links with and strategic proximity to the Ottoman empire, combined with the experience of the Crimean War, required Britain to aid Turkey in containing the Russian advance toward Constantinople. [91](http://www.questiaschool.com/reader/action/next/103731415#91)

The residue of Napoleon III's imperialism included Cochin, an expanded Algeria, and Senegal. What was a republic pledged to universal rights to do with colonial possessions? Yet more strangely, Republicans now engaged in a geographic scramble to extend the conquests of the Napoleon whose adventurism they had decried. The republic added, in the course of the age of imperialism, Tonkin, Annam, Cambodia, and Laos in southeast Asia; the expansion of French control in North Africa; French West Africa; and Madagascar. Reasons for this imperial scramble appear variously in France's international position, her domestic and international economy, and her political system.

The entrance of new colonial powers in the peripheral world overwhelmed the Pax Britannica, ending the tacit arrangement that left to Britain the management of the periphery in the interest of European commerce. It became more advantageous for each country to maintain its own security in the periphery. The Scramble and the formalization of imperial rule followed in part from this change in the structure of international competition in the periphery. At the same time, however, each state also had more particular reasons to promote a foreign policy of imperial expansion.

France seems to have been a improbable candidate for metropolitan imperialism. The defeat in 1870 and the loss of Alsace-Lorraine focused rench attention forcibly upon the European balance of power. [13](http://www.questiaschool.com/reader/action/next/103731437#13)Although it is a common opinion that France sought empire as direct or sufficient compensation for the loss of Alsace-Lorraine, in fact the new territories could not be compared to the lost provinces. "I have lost two children, and you offer me twenty domestic servants," Paul Déroulède, poet member of the Assembly retorted when just such an exchange was suggested. [14](http://www.questiaschool.com/reader/action/next/103731437#14)Moreover, no colonial adventures could be undertaken which would reduce France's ability to stand up to future German threats or to fall to take advantage of future German weakness. In order to regain Alsace-Lorraine, France had to nourish both its military and its diplomatic strengths. The army had to be reorganized, allies reassembled. The former required the absence of exhausting colonial wars, the latter, few colonial diplomatic squabbles. The Blue Line of the Vosges formed a constant horizon for French consciousness, even if the lure of a colonial adventure occasionally distracted politicians, as it would in Egypt in 1882.[15](http://www.questiaschool.com/reader/action/next/103731437#15)

Two international factors did, however, play significant roles in promoting French imperialism. First was a special sensitivity to national prestige prevalent in the period. Prestige is to power as credit is to money (a rational basis exists for the pursuit of both). [16](http://www.questiaschool.com/reader/action/next/103731437#16)The basis of this new sensitivity appears to have been the rise of new participants in power, the crumbling of old hierarchies, and the need to establish new order in an arena that lacked institutionalized hierarchy. Leveling took place both domestically and internationally. Hierarchies had to be based on the consent of formal equals, a consent that lacked permanent and institutional form, and the result was a concern for contingent and relative fame -- prestige. [17](http://www.questiaschool.com/reader/action/next/103731437#17)Colonies were prestigious because they were one of the attributes of Britain, which had been at the top and was still a leading state.

The second international factor was the need to obtain Germany's support for any French policy not directed against Germany. As France's only real strategic threat, Germany could veto all other French initiatives by raising tension over Alsace-Lorraine. France, moreover, needed Germany's positive diplomatic support to pursue foreign policies elsewhere. Since other policies were likely to bring France into conflict with potential anti-German allies, such as Britain and Russia, France would have become totally isolated without German support -- a fate reminiscent of the disaster of 1870. In the 1880s Germany also held a crucial vote on the Egyptian Caisse whose acquiescence Britain required to rule and reform Egypt. Making this trump card available to France reduced the threat of colonial confrontation with Britain. Yet these strategic interests in imperialism are altogether slight. France, unlike Britain, had no choice but to be strategically dependent on the European balance of power. It was in the French economy, society, and political process that one finds the forces driving French imperialism.

The French economy was still preponderantly agricultural, and small farms, raising grain and wine, dominated the landscape. Under Napoleon III, however, the French economy had experienced substantial growth. [19](http://www.questiaschool.com/reader/action/next/103731438#19)With the spread of the railroad, the price of wheat rose near to world (that is, British) levels as markets were opened to previously isolated farmers. British imports, made much more substantial by the Cobden-Chevalier Treaty of 1860, which opened the British and French markets to each others' products, brought boom conditions to wine and certain industrial products. [20](http://www.questiaschool.com/reader/action/next/103731438#20)The silk industry, a labor-intensive sector typical of the first phase of the industrial revolution, found 65 percent of its output flowing to the British market. Napoleon, a man of the bankers and the merchants, helped shake the French economy out of years of isolated stagnation and loosed the forces of the industrial revolution. [21](http://www.questiaschool.com/reader/action/next/103731438#21)(Other industries suffered from competition with more efficient British producers, of course, and helped remove him from power in 1870.) Napoleon also encouraged and defended French investment projects abroad.

After 1870 the French economy developed a special relationship to the empire which was characterized by two factors. One was the persistent reality of the meagerness of its connection with the empire. The other was a growing demand by certain sectors for an economic policy of imperialism.

The reality was hardly conducive to extensive imperialism. French overseas trade was considerably less than half of Britain's, and foreign investment, both stock and flow, bore no comparison to that of Britain's highly internationalized economy. [22](http://www.questiaschool.com/reader/action/next/103731439#22)Moreover, while 45 percent of British foreign investment before 1914 wound up in the empire, only 9 percent of French foreign investment followed the flag (25% went to Russia). [23](http://www.questiaschool.com/reader/action/next/103731439#23)India was Britain's largest prewar foreign market, and its trade was a crucial prop of the British balance of payments, The French empire could provide no. equivalent in importance. Finally, as Chapter 11 argued, the empire was a growing factor in the British economy throughout the nineteenth century; France's trade with its empire, by contrast, was proportionally less at the end of the nineteenth century than it was at the time of the Revolution. [24](http://www.questiaschool.com/reader/action/next/103731439#24)

It is not surprising that France, having neither a strategic commitment nor an economic orientation toward empire, developed much less of an imperial presence than did Britain. [25](http://www.questiaschool.com/reader/action/next/103731439#25)Where, then, did French imperialism originate? Special economic sectors, rampant soldiers, and expansionist bureaucrats, all operating in a political environment that rewarded their particular interests, filled the imperialist gap. In particular, in the late 1870s and early 1880s, four new factors discredited the Napoleonic program of international competition and increased the interest of some economic sectors in a policy of imperial protection.

Just as the French economy was integrated by railroads, so a global economy was integrated by the combined impact of railroads and improved shipping.[26](http://www.questiaschool.com/reader/action/next/103731439#26)Comparative advantage and disadvantage replaced geographical isolation as bases for trade. French agriculture, with the exception of wines, did not compare favorably with the production of   
the American, Argentinian, or Russian plains. France's wines succumbed to phylloxera. An agricultural trade crisis followed. [27](http://www.questiaschool.com/reader/action/next/103731440#27)

In industrial terms the uneven rate of economic development challenged the benefits of free trade. As the French economy in the 1870s and 1880s began to move into the second phase of the industrial revolution -- capital goods, steel, and so forth -- its products competed with the greater efficiency of Britain and the even greater efficiency of Germany and the United States. [28](http://www.questiaschool.com/reader/action/next/103731440#28)Its infant industries demanded protection against foreign competition. The Third Republic, for reasons we shall examine below, listened to these demands against the free trade interests of merchants and financiers. The Méline Tariff of 1892 defeated the old free trade faction that had supported Napoleon's empire. But within the empire protection was introduced as early as 1877 and 1881-82 to aid French textile and other products against foreign competition. [29](http://www.questiaschool.com/reader/action/next/103731440#29)

These pressures for protection coincided with the Atlantic trade depression of 1873 to 1896, which began to affect France in the late 1870s. The international and peripheral trade "pie" appeared to be shrinking. In these circumstances, competition for a constant or expanding share lent force to protection; an expanding pie might not have done so.

In the final analysis, however, protection and colonialism are not the same. Protectionists can benefit from a protected colonial market, but the investment in colonies, as one protectionist noted, may not be worthwhile: "On the trade which France does with its colonies as a whole, France loses 23 million francs a year [a negative trade balance]: to achieve which result the country spends 80 million francs." [30](http://www.questiaschool.com/reader/action/next/103731440#30)Nonetheless, particular industries under the pressure of increasing international competition found the colonies a useful preserve for challenged exports. Silk manufacturers centered about the city of Lyon sought a stable source of raw silk in the empire. Sugar exporters found there a market for 68 percent of their exports These particular economic interests benefited from and agitated for a policy of imperialism. Some but not all of these industries were well represented in the pressure groups lobbying for colonial expansion. [32](http://www.questiaschool.com/reader/action/next/103731441#32)But most colonialists complained, quite correctly, of the indifference of the business class. The army, however, together with much of the bureaucracy and certain political coalitions of the Third Republic, gave imperialism a much stronger welcome.

The particularly weak French state of the late 1870s and early 1880s permitted an expansion of the French empire. Both the Opportunist coalition of the Republican movement and the overseas army exploited this weakness. [33](http://www.questiaschool.com/reader/action/next/103731441#33)After the extremes of 1870, when the commune of new Jacobins and communists was suppressed by an alliance of new Girondins and monarchists led by Thiers, the "republic" seemed little more than a constitutional convention for a monarchist restoration. [34](http://www.questiaschool.com/reader/action/next/103731441#34)But monarchist factions could not agree, and the Opportunists -- a conservative-bourgeois faction of the Republican movement -- inherited the political stalemate. The Opportunists rigorously disciplined the pursuit of national prestige with a deep small-town caution. They were simultaneously determined to promote national economic development and yet to do so in a fashion that did not disturb a secure bourgeois economic society. [35](http://www.questiaschool.com/reader/action/next/103731441#35)

After the temptations of a new restoration in the early 1870s, the French bourgeoisie shifted their votes to the Republicans. Though they sought stability, they were not averse to adding to the glory of the *grande nation.* The nation was the first religion of the secular bourgeoisie and the second of the practicing Catholics of the countryside. Théophile Delcassé, later colonial and foreign minister of France and a good representative of the leadership of these Republicans, captured the French national pride evoked by the disaster of 1870: "I had passed my baccalaureat and yet the glory I had so long looked forward to seemed far away . . . Wissenbourg, Forbach, Sedan, France herself torn asunder!

The Republic of the Opportunists demanded glory in foreign affairs to redress 1870. But the Republic also demanded prudence, for its electorate would suffer directly from foreign policy disasters. The Opportunist faction of the Republican movement excluded the monarchists and Napoleonists of the far right as well as the Radicals (Jacobins) and Socialists of the left. Members of the Parti Colonial, composed of proimperialist deputies in the Assembly and public lobbying organizations of businessmen, retired military officers, intellectuals, and civil servants, were especially prominent in the ranks of the Opportunists.[37](http://www.questiaschool.com/reader/action/next/103731442#37)The Opportunist ministers sought colonialism because it seemed to promote prestige and more importantly because, being the preeminently bourgeois faction, they sought the prestige involved in the spread of France's bourgeois civilization. But the Opportunists were constrained in their pursuit of both goals. Expansion had to be truly prestigious, not adventures in the style of Napoleon III. Expansion also had to be politically cheap, not detracting from the long-term goal of revanche against Germany, and economically cheap, to protect a small-town bourgeoisie against massive military taxation.

The second Republican goal behind empire was rapid, nationalistbourgeois development. Colonialism, Opportunists believed, would promote Republican and bourgeois interests by encouraging exports and tropical imports, by adding new opportunities for investment, and by protecting previous investments in Tunisia, Egypt, and Cochin China.

hat this policy did not reflect the later realities of French trade was irrelevant; this was a program for the bourgeois Republic, a program for *future* profits as foreign competition increased and trade depression deepened. Moreover, this colonial program did reflect the interest of certain industrial sectors, sectors associated with the Opportunist faction of the Republican movement and its general orientation toward industrial capital and employment. [38](http://www.questiaschool.com/reader/action/next/103731443#38)

In the late 1870s the Opportunists came to power, and France established colonial tariffs and Joined the Scramble. This connection was not accidental. The old monarchial right had been anticolonial, and the Radicals saw colonialism as a distraction from revanche. To the Opportunists, however, imperialism was a part both of France's glory and of national, bourgeois, economic development. [39](http://www.questiaschool.com/reader/action/next/103731443#39)Yet the connection was not itself sufficient to create an empire. Empire was not the only avenue to national glory. [40](http://www.questiaschool.com/reader/action/next/103731443#40)As the public demanded nationalism, the imperialist agitators -- the Parti Colonial -- demanded that the empire be a part of French national glory. Sometimes they succeeded, but when empire became expensive they failed. The empire nevertheless expanded, despite costly misadventures, and often appeared costless. It did so because of the army.

The home army was condemned to be ever ready, always inactive -German strength precluded revanche. The army in the colonies, by contrast, offered a field of action for the energetic military officer, and a tradition grew of quick advancement through the professional colonial troops. These troops, such as the French Foreign Legion and other units under the nominal supervision of the Ministry of Marine, were capable of flexible employment and active service because they did not rely on politically costly drafted troops. Moreover, to the active officer, such as General Louis-Alexandre-Esprit-Gaston Briére de l'Isle or General Joseph Gallieni in Senegal, service in the colonies was an ideal steppingstone from colonel to general, jumping the slow promotion ladder of the garrison army at home. The reluctance of the legislature to assume a new financial burden could be circumvented by *fait accomph.* [42](http://www.questiaschool.com/reader/action/next/103731444#42)The recipe was simple: an expedition against marauding natives, a battle against high odds, a conquest, and an urgent demand for reinforcements. Thus de Lanessan, a former colonial governor, wrote (in a statement that resonates with Schumpeterian imperalism) "What drove us to expand in far-away places was above all the need to find something to occupy the army and navy."

Four features characterize the German empire prior to World War I. [49](http://www.questiaschool.com/reader/action/next/103731447#49)The empire was of very limited extent: Togo, the Cameroons, SouthWest Africa, Tanganyika, and small islands in the Pacific -- a million square miles with a population of about 15 million. Most of this expansion occurred in Africa after 1884, although aspects of informal imperialism could be found in the Pacific before this date. [50](http://www.questiaschool.com/reader/action/next/103731447#50)These territories had an extremely slight economic connection to Germany. The colonial empire developed in three phases. The first was characterized by chartered company rule and a burst of acquisition between 1884 and 1886; the second, 1890-1906, by a *Weltpolitik* of adventurism in the Far East and military rule in Africa; and the third, 1906-1914, by a regularization of direct rule over the African colonies. Finally, and unlike the French tendency, there was little assimilation and much pure administration.

A succinct and single-minded diplomatic explanation of colonial imperialism ascribes the German acquisition of colonies in the 1880s as a "move in Bismarck's European policy." A. J. P. Taylor advances the interpretation thus:

Bismarck quarrelled with England in order to draw closer to France; and . . . the method of the quarrel was the deliberately provocative claim to ownerless lands, in which the German government had hitherto shown no interest. These lands had a certain negative value to Great Britain, in that they adjoined existing British colonies or lay near British strategic routes; but their value was not such as to provoke the English government into a war. Moreover, they were of no concern to any other power, and claims to them would not cause any international complications, such as would have been occasioned by German demands in China or Persia. The German colonies were the accidental by-product of an abortive Franco-German entente. [51](http://www.questiaschool.com/reader/action/next/103731448#51)

Bismarck's Egyptian policy before British intervention in 1882 was designed to encourage Anglo-French cooperation and competition. He sought cooperation to avoid exacerbating France's sense of isolation and thereby to contain the more extreme revanchist forces in France, and he sought competition to ensure that no Western Entente would form against Germany. [52](http://www.questiaschool.com/reader/action/next/103731448#52)Hence Bismarck supported the joint Anglo-French intervention in Egypt. After France failed to intervene militarily in consort with Britain, he encouraged France's diplomatic efforts to have British forces withdrawn from Egypt. At the same time Bismarck supported France's scramble for colonies in Africa, hoping thereby to divert its attention from the Blue Line of the Vosges.

These efforts to isolate and to woo France also provide a plausible explanation for German colonialism. Bismarck's demarches in west and south-west Africa appear as moves designed to encroach on Britain's African preserves. By encouraging France and by claiming German areas in Africa, Bismarck planned to annoy the British lion. Convinced of Bismarck's sincere commitment to a Franco-German entente, France, so the idea went, would be confident of and dependent on German goodwill.

Several aspects of German diplomacy do not, however, accord well with this *Aussenpolitik* thesis. First, it is not clear that Bismarck felt that such a strategy would be a significant step in isolating France and making it dependent on Germany. In fact, France had no great need for German support in pursuing its colonial policy, for in most areas of conflict England appeared, as Bismarck recognized, to be appeasing France. [53](http://www.questiaschool.com/reader/action/next/103731449#53)Indeed, Bismarck appeared to fear an Anglo-French entente against German colonial claims more than he anticipated a Franco-German understanding on colonies. Second, Bismarck was unlikely to believe that entente on colonial questions would substantially divert France from revanche. Third, and more significantly, if diplomatic entente was Bismarck's motive, he passed up an opportunity to achieve it when he deserted France at the Berlin West African Conference on the question of tariff barriers in the Congo area. [54](http://www.questiaschool.com/reader/action/next/103731449#54)If entente was worth antagonizing Britain, it was certainly worth a reduction in the trivially small potential for German trade in the Congo -- but he promoted German colonial expansion even at the risk of annoying France. [55](http://www.questiaschool.com/reader/action/next/103731449#55)As Bismarck's remarks at the time show, German imperialism was by no means an accidental by-product of the Franco-German entente; the temporary closeness of the entente, rather, was the by-product of German colonialism. [56](http://www.questiaschool.com/reader/action/next/103731449#56)

Taylor is in general correct: Bismarck was supporting French colonial expansion, and diplomatic factors do play a supporting and a constraining role. The diplomacy of the appeasement of France did limit Bismarck's imperialism. [57](http://www.questiaschool.com/reader/action/next/103731449#57)England's dependence on international diplomatic acquiescence to stabilize Egyptian finances led to Gladstone's partial appeasement of France in West and Central Africa, and it also opened Britain to German blackmail on colonial issues. The multipolar structure of international politics in the last quarter of the nineteenth century   
created incentives for exclusive and preclusive acquisition of international resources. But the reasons for thinking colonies worthy of competition also need to be sought inside Germany's economy and polity.

**Economic Imperialism**

Bismarck referred frequently enough to a domestic concern for commercial expansion and colonialism to cast doubt on Taylor's "accidental by-product" theory, but evidence also suggests that before 1884 and after 1886 Bismarck was not a convinced imperialist. The position of colonial empire in German economic and political development remains complex.

The economic determinist of the Leninist variety would interpret German imperialism as a necessary evolution of the capitalist system and its inherent economic and political expansionism. Mary Townsend also notes a long-term (secular) development of overproduction in German industry which required foreign expansion. [58](http://www.questiaschool.com/reader/action/next/103731450#58)Bismarck, in her view, engaged in an extended preparation for colonial expansion from 1871 to 1876, a period of cooperation with private companies from 1876 to 1884, and finally came into the open with state support after 1884. [59](http://www.questiaschool.com/reader/action/next/103731450#59)

A somewhat different position is taken by Hans Ulrich Wehler. He stresses the importance of informal and formal economic imperialism as a necessary (although perhaps small) aspect of managing the dangerous fluctuations inherent in economic growth. Bismarck, he notes, saw "our colonizing efforts (as) measures designed to help German exports. [60](http://www.questiaschool.com/reader/action/next/103731450#60)Furthermore, the German government lacked the ability to pursue monetary, exchange-rate, and fiscal policies because of restrictions imposed by the Reichstag. It had to rely on foreign economic expansion to moderate both the swings of the business cycle and the revolutionary pressures on the conservative social fabric which such erratic swings would otherwise create. [61](http://www.questiaschool.com/reader/action/next/103731450#61)We shall return to this broader thesis, but for the moment let us examine economic factors.

Considerable evidence suggests large-scale strains and change in the German economy during these decades. Germany was experiencing very rapid industrial growth: internal free trade, a wide resource base (especially after the inclusion of Lorraine ores), high levels of technological innovation, and a rapidly developing railroad network brought the German economy through the stages of the industrial revolution at a quick step. [62](http://www.questiaschool.com/reader/action/next/103731451#62)In 1870 the shipbuilding industry was smaller than Spain's; by 1890 it was beginning to rival Great Britain's. In the 1880s the second phase of the industrial revolution (iron and steel) was already being overtaken by the third (electrical and chemical products). Like France and Britain, Germany was also experiencing the strains of development. Iron and steel and agriculture suffered particularly, the former from British competition and French subsidies, the latter from American and Russian grains. [63](http://www.questiaschool.com/reader/action/next/103731451#63)In 1879 Bismarck protected these two sectors by establishing a general tariff. As a result of these various developments the overall structure of German trade was shifting, away from Europe and toward the Americas and the Orient. In 1880, 80 percent of German exports went to Europe; in 1914, 50 percent. [64](http://www.questiaschool.com/reader/action/next/103731451#64)

In fact, however, the real economic importance of German imperialism was slight. The German economy as a whole was much less internationally oriented than the British: trade, though growing, was a much smaller proportion of gross national product, and foreign investments were considerably less significant (and they declined after the 1880s). [65](http://www.questiaschool.com/reader/action/next/103731451#65)Very little of what trade and investment did take place went to areas of formal or informal imperialism. Nor were South-West Africa, Togo, the Cameroons, and Tanganyika likely to become major markets for Germany's specialty steels and electrical generators (though they did absorb a good deal of Hamburg gin). Indeed, between 1894 and 1913 the German colonies cost considerably more in budgetary support than their gross trade value. [66](http://www.questiaschool.com/reader/action/next/103731451#66)

Whatever push did exist in German capitalism it was not pushing toward imperialism. Townsend's interpretation has an elephant giving birth to a field mouse. Nor can it be surprising that Germany's empire was insignificant given the small involvement of the German economy

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| |  |  | | --- | --- | |  | in peripheral lands. The transnational economic basis for extensive empire was missing. Moreover, Bismarck's colonialism occurred in a burst, from 1884 to 1886. After 1886 he scoffed at colonies, and before 1883 he was even declaring of South-West Africa that Germany "would be only too happy to see England extend her efficacious protection to the German settlers in those regions." [67](http://www.questiaschool.com/reader/action/next/103731452#67)Given these observations, it becomes difficult to credit the crucial importance of colonial imperialism to Bismarck as a means of stabilizing the trade cycle. [68](http://www.questiaschool.com/reader/action/next/103731452#68)If colonialism were so important a long-term secular policy tool, one would expect a continuing pursuit of colonial expansion and the building of a fleet to protect them. But the resumption of colonial politics in the 1890s under Wilhelm II followed a significant decline in interest in the colonies during the later 1880s. [69](http://www.questiaschool.com/reader/action/next/103731452#69)  This is not to say that Bismarck had no economic interest in colonialism. In fact he did. But his interest was particularistic and tentative. Bismarck was concerned with the stabilization of steady growth, to which end he introduced the tariff of 1879 and social welfare programs. Colonialism was a much more experimental tool where the gain was very speculative. To cut costs and pacify England, Bismarck allowed colonial expansion to drop from his arsenal of political economy.  As Bismarck stated when defending his colonial policy before the Reichstag on 26 June 1884, the colonies were "due to the enterprise of the Hanseatic people," to which Bismarck had added the support of the German government. [70](http://www.questiaschool.com/reader/action/next/103731452#70)Hamburg, Bremen, and the other North German cities had Jong traded with far-flung areas in the Pacific and more recently Africa, and this trade had become quite important to leading merchant houses in these cities. | |
| The German empire, in sum, was small because the Germans had few previous economic or social connections to the periphery in Africa and Asia. A transnational connection did emerge before and in the course of the Scramble. The economic connection remained slight, however, because German overseas trade was small and focused overwhelmingly on exporting advanced industrial goods. There was little assimilation and much direct rule because of the empire's brief span and because it was primarily bureaucrats who were interested in its development. Its acquisition and development were sporadic because imperialism was necessary to neither the German economy nor the social triangle. And, finally, it was brief ( 1885-1914) because Wilhelm II's efforts to make it fundamental to his *Weltpolitik* destroyed the diplomatic and strategic stability of Europe. |

In Part I we examined the structural conditions of empire. Social differentiation, political community, and state centralization together tend to produce political unity. Joined to a transnational economy, they lead to empire over tribal and patrimonial (and certain other) societies in the periphery.

In Part II we examine the process of imperialism, paying less attention to parameters and more to goals, interests, perceptions, and the actual play of historical events. In the discussion of tribal and patrimonial peripheries, I combined considerations of transnational impact and metropolitan force with those of peripheral society. I now examine the other half of the imperial relationship -- the combination of transnational drives and metropolitan strategy with metropolitan politics. I investigate economic imperialism and strategic imperialism, and how both were registered and managed by metropolitan politics.

Britain's transnational economy, I show in this chapter, focused on and sustained the empire. The imperial economy also contributed motives, or drives, toward the maintenance and expansion of empire. But while the empire required the transnational economy and a metropole prepared to defend it, the economy did not require, in a strict or straightforward sense, the empire. Instead, the separate sectoral interests and actors whose interaction comprises an economy helped feed political

coalitions. Nor was Britain's imperial strategy a straightforward driving force of imperialism. It too was various and subject to factional dispute. A predominant imperial coalition, conservative and imperially expansive, resulted only from the political construction of Disraeli and Salisbury. They combined groups sensitive to recent changes in the state of domestic politics, the condition of the empire (particularly Ireland), and the competitive position of Britain in the world economy and in international diplomacy with the traditional followers of the Conservative party. The Liberals, on the other hand, were not anti-imperial, but nor were they committed to the autonomous growth of empire.

Britain could have survived a loss of empire or a failure to expand, but almost any political coalition would have at least accepted expansion. The empire that Britain actually acquired reflected in part the imperial coalition that acquired it. In particular, the Conservatives needed the expansion of empire in order to dominate British politics for the last quarter of the nineteenth century.

**The Transnational Economy**

Early in the nineteenth century Britain became the first large, truly transnational economy, exporting manufactures and services to pay for its imports of food and raw materials. Having experienced the industrial revolution early, Britain "exported" industrialism to Europe and later to North America. This export was achieved not only through the transmission of technology and knowledge but also through the shipment of typical industrial goods, the sale of capital goods needed for production, portfolio investment, financial services, emigration, and actual overseas operation by a few English firms.

Most of the world's economic activity was domestic or national. Housing construction and services dominated investment and employment respectively (domestic service was the largest category of employment in Britain in 1850). But it was clear at the time as it is clear now that the specialization which free trade encouraged created an exchange based upon an *international* division of labor, an international economy of epic proportions. This international economy was remarkably stable -- Britain produced finished manufactures and other regions sold raw materials and food to Britain. Britain's international economy began to focus increasingly on the empire, making for an *imperial* econ-

omy. In some respects these economies were separate; in others they were very much integrated. [1](http://www.questiaschool.com/reader/action/next/103731386#1)

The significance of these national, international, and especially imperial economies for nineteenth-century imperial expansion has long been debated. Hobson argued (with a rigor he did not apply to investments or finance) that exports and imports provided no excuse for imperial expansion in the tropics. The "taproot," he suggested, was finance. In positions that have now become conventional benchmarks in the debate on imperialism, Lenin adapted aspects of Hobson's theory and focused the blame on monopolies. Schumpeter responded by absolving pure capitalism altogether and instead discovered the *causa causans* of international aggression in atavistic instincts and state institutions. Contemporary critics of Hobson's and Lenin's theories of economic imperialism, David Fieldhouse prominent among them, have relied upon aggregate statistics of 1904 or 1913 to demonstrate that British trade or investment was not heavily committed to the newly acquired colonial areas of Africa or Asia. This debate has been taken up in a thorough criticism of economic imperialism by B. J. Cohen, who holds that in aggregate terms no massive shift to new tropical trade or investment required an extension of the "flag." [2](http://www.questiaschool.com/reader/action/next/103731386#2)More recent work has, however, revived in a careful fashion various of the arguments that were central to Lenin's thesis, and one recent essay has presented a powerful argument for a sophisticated model of British imperial expansion whose basic thrust is economic imperialism. [3](http://www.questiaschool.com/reader/action/next/103731386#3)

Economic imperialism will be a major theme of the next three chapters as we explore the metropolitan roots of nineteenth-century imperialism. In this chapter I show that economic factors were a major part of the process of British expansion (though in the next I show that they were much less significant as a source of French and German imperialism). While economic factors, specifically an imperial economy, were important in British imperialism, however, a straightforward economistic

model of British imperialism does not serve to explain the metropolitan roots of empire. Important are some political and international factors that cannot be construed as dependent on economic drives and structures. [4](http://www.questiaschool.com/reader/action/next/103731387#4)

Even if we argue that the economy did not require the new tropical territories, we still must specify the role that the economy played in empires both old and new. In order to interpret the role played by Britain's transnational economy in Britain's imperial expansion during the nineteenth century, we need to interpret economic evolution forward from 1815, rather than backward from 1913. Short-term fluctuations and perceptions as well as long-term trends in trade, investment, and finance need to be taken into account if we are going to assess the role that an extended economy played in imperial expansion. [5](http://www.questiaschool.com/reader/action/next/103731387#5)

**International and Imperial Trade**

Britain's transnational trading economy expanded massively following the repeal of the Corn Laws and the Navigation Acts in 1846 and 1849. The rate of growth of world trade rose 80 percent in the 1850s. British exports grew 25 percent per decade before 1850 and 90 percent and 60 percent in the 1850s and 1860s. [6](http://www.questiaschool.com/reader/action/next/103731387#6)The "bread and butter" sectors of this new economy were first cotton and then iron and steel (both consumed at home and exported). The free trade policy of the 1840s opened Britain to cheap food and increased dependence on foreign sources of raw material, particularly cotton from the United States, despite attempts to foster imperial sources in India and even Africa. In the 1870s a lasting and fundamental depression set in. Despite a short-lived export boom in the late 1880s, full recovery awaited the end of the century.

Whether in boom or depression, Britain's transnational economy had become internationalized, acquiring a surprisingly stable pattern of cotton and iron exports in return for raw materials, as Eric Hobsbawm notes:

By the end of the eighteenth century domestic exports amounted to about thirteen percent of the national income, by the early 1870s to about twenty-two percent and thereafter they averaged between sixteen and twenty percent except in the period between the 1929 slump and the early 1950s. Until the "Great Depression" of the nineteenth century, exports normally grew faster than the real national income as a whole. In the major industries the foreign market played an even more decisive role. This is most obvious in cotton, which exported over half the total value of its output at the beginning of the nineteenth century and almost four-fifths at the end, and iron and steel, which relied on overseas markets for about forty percent of its gross production from the mid-nineteenth century. [8](http://www.questiaschool.com/reader/action/next/103731388#8)

The importance of this pattern can be surmised easily: textiles and metals (including machinery) constituted over 50 percent of employment in the late nineteenth century. [9](http://www.questiaschool.com/reader/action/next/103731388#9)Both sectors were the early products of the industrial revolution. The textile industry was the leader, the foundation of the eighteenth-century takeoff. Metals and machinery began in the first phase ( 1780-1840), creating the iron needed for early machines, and boomed in the second phase ( 1840-90). [10](http://www.questiaschool.com/reader/action/next/103731388#10)The last two-thirds of the century truly appeared to be the age of textiles and metal -- the full maturity of Britain's industrial strength lasting long, and as we shall see perhaps too long, golden years. The new industries that were to form the basis of twentieth-century industrialism (third phase, 18901940) and replace the "paleo-technology of coal, steam, and iron and steel," such as the "technology of physics and chemistry, scientific industrial research, electricity and petroleum, the dynamo and the internal combustion engine," were developing after 1870, but in Britain, unlike in Germany and the United States, they did not recast the economy.   
In the meantime other industrial states were acquiring the technology of the first industrial revolution. British commercial policy and private activities had aided the development of other industrial countries in the 1840s through the 1860s. In the late seventies and the early eighties, however, Germany, France, the United States, and others began to increase their productive efficiency and raise their domestic and imperial tariffs. [12](http://www.questiaschool.com/reader/action/text/clearHighlight#12)

Britain could no longer rely on the great industrial markets for staple exports. At the same time the underdeveloped and unprotected world -particularly the empire -- increased in importance for British commercial activity. Latin America is instructive: in Mexico, Britain began to lose market share not only to the nearby United States but also to Germany. But high-quality manufactures of the sort also produced for the British and dominion markets sustained little injury in the far south of Latin America. In general terms lower-quality, though efficiently produced, goods threatened by tariffs (e.g., cotton), specialized goods, and such new products as electrical goods constituted the largest sectors of foreign competition for British exports. [13](http://www.questiaschool.com/reader/action/text/clearHighlight#13)

A stable production profile was accompanied by a shift in the geographic distribution of Britain's trade. The reasons can be found where the sector cycle and the imperial economy intersect.

Cotton goods are easy to sell, worn everywhere, and require little sophistication in their production. They are the first sector that an underdeveloped economy would purchase from abroad, and thus the first products that an industrial economy would be able to sell in volume. [14](http://www.questiaschool.com/reader/action/text/clearHighlight#14)However, cotton and other textiles, given simple production and ready market, are one of the first industries that a developing economy would establish and protect. While 73 percent of British cotton exports went to Europe and the United States in 1820, only 43 percent went to those areas in 1850. [15](http://www.questiaschool.com/reader/action/text/clearHighlight#15)

In order to pay for consumption goods such as textiles, the developing